

ORIGINAL

Decision 83 02 073 FEB 16 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Selby Investments, Inc., dba )  
Contiki America, for a Class B )  
charter bus certificate from )  
home terminal in 1432 E. Katella )  
Avenue, Anaheim, CA 92805. )

Application 82-11-09  
(Filed November 4, 1982)

O P I N I O N

Statement of Facts

Contiki Travel International Ltd. is an international youth tour operator offering budget touring limited to a clientele between 18 and 35. It operates in the United Kingdom, Europe, Scandinavia, the U.S.S.R. and Eastern Block countries, and New Zealand, using 95 specially designed tour coach buses.

In 1981, an American subsidiary, Selby Investments, Inc., doing business as Contiki America (Contiki), was incorporated in the State of Connecticut. It offers packaged tours of the United States beginning or ending in New York and Los Angeles under authority from the Interstate Commerce Commission (see Docket No. MC-142710 Sub 3), using a fleet of four leased Neoplan Cityliner Model N116/3 tour buses in the service. With sales to 1,500 persons in its first year of United States operations, Contiki plans to add at least another five of these vehicles to its American fleet.

Conscious of the need to fully use its capital investment in the coach fleet, and desirous of having intrastate tour capability available, Contiki as of November 5, 1982 qualified to do business in the State of California, and by this application

seeks authority to operate as a Class B charter-party carrier of passengers from a service area within a radius of 40 air miles from its California home terminal at 1432 East Katella Avenue, Anaheim, California 92805.

A financial statement dated September 30, 1982 indicates that Contiki possesses the requisite financial responsibility to initiate and conduct the proposed transportation service.

Contiki proposes to operate in a territory already served by other certificate holders. Accordingly, under Public Utilities (PU) Code § 5375.1, a hearing is mandated before a certificate may be granted. However, although the filing of this application was noticed on the Commission's Daily Transportation Calendar on November 10, 1982,<sup>1/</sup> and Contiki also mailed service notifications to 22 potential competitors, no protests have been received by the Commission. The application appears to be in good order and applicant has cooperated fully in providing all requested information. Applicant is well experienced and well reputed in the passenger transportation business and enjoys use of federal authority in its interstate operations. For these reasons there appears to be little or no purpose to be served by a hearing.

#### Discussion

The Commission may issue a charter-party carrier of passengers certificate to an applicant when the Commission is able to determine that the public convenience and necessity require

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<sup>1/</sup> Notice appearing on this calendar obviates the need for direct notification to potential competitors (Rules of Practice and Procedure, Rule 15.1 effective July 1, 1982).

the proposed transportation service, and that the applicant possesses satisfactory fitness and financial responsibility to initiate and conduct the service and will faithfully comply with the rules and regulations of the Commission (PU Code § 5375).

Contiki provides a specialized array of budget tours and services using vehicles especially imported from Germany and designed specifically for touring. Its parent organization has been operating for over 21 years in many areas of the world, providing service for a particular youthful clientele. It has come to be known as a reliable and "value for money" tour operator. New itineraries are being prepared and scheduled for 1983 with emphasis upon California. Applicant also wants to be able to handle requests for winter ski programs within the State. Last year's successful start shows that there is a requirement for budget-type operations open to and oriented toward a youth market. Contiki has good reason from this auspicious start to believe that as young Californians come to recognize it as young people from abroad already do, there will be increasing patronage. We believe that it has been reasonably demonstrated that the public convenience and necessity requires the proposed service.

Applicant's solid financial base, evident from inspection of the financial statements filed, and its successful previous operational history, both abroad and in the United States, indicates that it has satisfactory fitness and the financial responsibility to initiate and conduct the proposed service. Also significant in this regard is the fact that it holds Interstate Commerce Commission authority. In addition, we observe that its fleet of customized Mercedes Benz tour coaches reflects this fitness. These diesel buses were specially designed to give maximum viewing capability while providing for the 50

passengers and three crew members air-conditioned, air suspension comfort as well as hi-fi stereo radio and tape cassette facilities. They also have extra large storage space to accommodate camping gear. The sincerity of Contiki's intention to comply with applicable Commission rules and regulations is evidenced by its action in filing for this certificate.

The Commission is the lead agency in certificate proceedings involving Class B charter-party carriers of passengers (Rules of Practice and Procedure, Rule 17.1(i)(2)). The proponent of any certification must include with his application for such project approval a Proponent's Environmental Assessment (PEA) so that the Commission can quickly focus on any impacts of environmental concern (Rule 17.1(d)(1)). While in this instance Contiki failed to include such a PEA, we concluded that the nature of the proposed service, combining as it does in one diesel touring coach all the individuals of a charter-party (who otherwise would be using individual vehicles to make the tour), can only in the end result in overall salutary environmental effects.

#### Findings of Fact

1. Contiki's parent organization has been providing budget tour services for a youth clientele in Europe and elsewhere for years.
2. Relying upon its parent organization's experience, Contiki is able to bring to the proposed service the experience, equipment, financial resources, and ability to initiate and conduct the proposed service.
3. Public convenience and necessity require the proposed service.
4. There are no objections to Contiki being authorized to provide the proposed service.

5. It can be seen with reasonable certainty that there is no possibility that the proposed service may have a significant adverse effect on the environment.

6. Contiki should be authorized to provide a charter-party carrier of passengers service within a radius of 40 air miles from its home terminal at 1432 East Katella Avenue, Anaheim, California, 92805.

Conclusion of Law

Public convenience and necessity have been demonstrated and a certificate should be granted to Contiki to provide the proposed charter-party carrier of passengers service.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity, to be renewed each year, is granted to Selby Investments, Inc., dba Contiki America, authorizing it to operate as a Class B charter-party carrier of passengers, as defined in PU Code § 5383, from a service area with a radius of 40 air miles from applicant's home terminal at 1432 East Katella Avenue, Anaheim, California 92805.

2. Applicant shall:

- a. Obtain California Highway Patrol (CHP) clearance for each vehicle to be used in this Class B charter-party operation.
- b. Notify the Commission and CHP of any addition or deletion of vehicle(s) used in the service prior to use.
- c. Establish the authorized service within 360 days after this order is effective.

3. The Passenger Operations Branch will issue the annual renewable certificate on Form PE-695 as authorized by Resolution PE-303 when it receives CHP clearances and evidence of liability protection in compliance with General Order Series 115.

4. In providing service under the certificate, applicant shall comply with General Orders Series 98 and 115, and the CHP safety rules.

5. This certificate does not authorize the holder to conduct any operations on the property of or into any airport unless such operation is authorized by the airport authority involved.

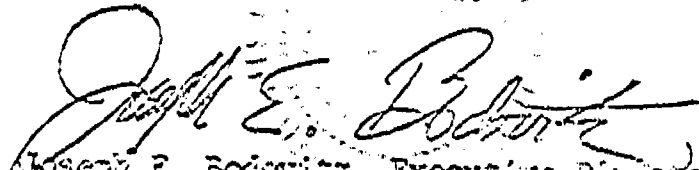
This order becomes effective 30 days from today.

Dated FEB 16 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director